

DD/A Registry

81-1170/8

16 JUL 1981

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director of Central Intelligence

FROM : Maurice Lipton
Comptroller

SUBJECT : CIA Committee on CORE -- Status Report

REFERENCE : Memo for CORE Com. Members fr DCI dtd 17 June 1981,
Subj: Agency Cost Reduction and Efficiency Committee

1. As you directed in your 17 June 1981 memorandum, the Associate Deputy Directors and I have convened the CIA Cost Reduction and Efficiency (CORE) Committee. This memorandum gives you a status report including a schedule (attached) of predicted actions for the next six months.

2. The four directorates and the DCI Area have initiated efforts to identify areas for potential savings and increased efficiency. The Administration Directorate effort has been under way for four weeks now and the others have a good start. These efforts will result in candidates for Agency-wide consideration. Concurrently, my office is taking the lead in soliciting ideas from leading government and industrial agencies. So far we have met with Defense officials.

3. We plan to complete our effort in early January.

STAT

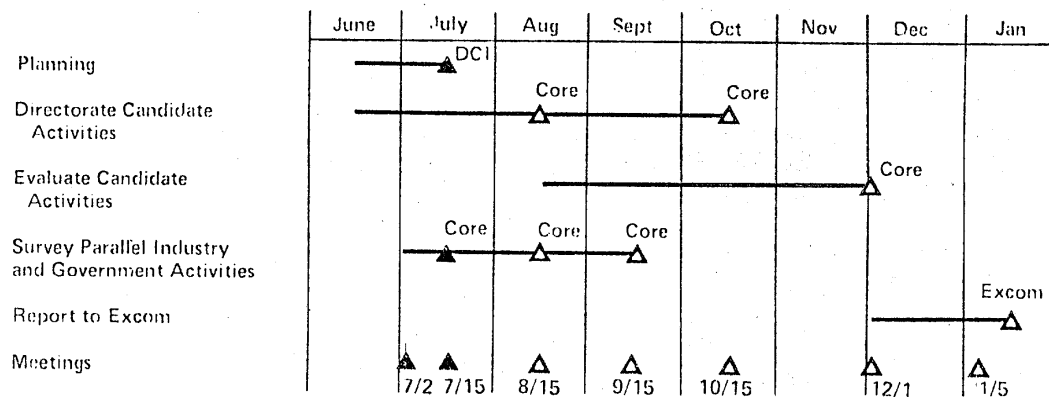

Maurice Lipton

Attachment:
As Stated

Distribution:
Orig - addressee
1 - DDCI
1 - ER
① - CORE Members

OL 1 3030

CORE SCHEDULE



△ Milestone
 ▲ Completed Milestone

DDA Cost Reduction and Efficiency (CORE) Working Group

Agenda

For 30 June 1981 Meeting with DDA

1. Review suitability of items
2. Clarify category definitions

DDA

✓

0	Capital investment	=
0	Efficiencies w/o Adverse Impact or <i>Improvement</i> In Service	≠
0	Efficiencies With Adverse Impact	≠
0	Efficiencies through Centralization or Elimination of Duplication	=

Agency Charter

- o Capital investment
- o Functions which can be reduced or eliminated
- o Functions where realignment may increase effectiveness
- o Functions where there is duplication and potential for consolidation

- ### 3. Final format

Activity Description

Costed

Decreasing
value

Non-Correlated

Current		Savings	
Positions	\$	Positions	\$

DP87-01146R000200030005-3

DDA CORE
Agency CORE.

July 1981)

DDA CORE

Objective - same as Agency CORE charter *except* also includes efficiencies which will result in an *improvement* in service (not necessarily resulting in position or cost savings) and distinguishes between those efficiencies which will have an adverse impact on service and those which will not.

Organization - involves DDA and office deputies in order to ensure direct involvement and commitment of line management.

(Bill: I understand that some of the other DD's are considering using their plans and programs staffs.)

Schedule

- o Within 30 days of start (15 July), submit a paper to the DCI describing savings achieved over the last several years. (Reason: To show the DCI that significant savings have been achieved already contrary to his perception that "...the rest of the Government is working hard at this and thus far it is my impression that there is too much thinking here that we are immune from this requirement.")
- o Within 45 days (3 August), submit to the DDA a list of possible future efficiencies thru capital investment. This submittal is

savings, and recommendations for the investment of these savings in specific capital investment projects.

Ground Rules for Selecting Items

- o Nothing sacred
- o Agency-wide
- o No need for coordination outside Directorate on Agency-wide suggestions *until* the items reach the Agency CORE committee.
- o Get input from all levels (tradesman to senior manager).
- o Each office must certify validity of position and cost figures and be prepared to implement.

From MARCH 81
EX-100

Activities Where Cost Savings Can Be Realized

Communications

STAT A reduction in training time would reduce the number of instructors needed at [] and provide for a greater throughput of students. This would save approximately \$80K a year but would drastically lower the caliber of our skills-oriented personnel.

We can reduce all non-communications training at a savings of approximately \$100K a year. This would be deleterious to morale and slow the development of a management cadre.

Limit movement of secure and black telephones when offices or personnel transfer. This would involve a savings of approximately \$15K per year. It would cause a lot of moaning, groaning, and anguish.

Reduce the cable dissemination file from a two-year file to a 60-day file. This would save approximately \$30K a year. Customers would be required to wait a minimum of 24 hours for service.

Eliminate all handwriting on cables and telepouches. This will save two positions at an equivalent of \$30K per year.

Data Processing

Merger of the computer operations of the Ruffing and Special (DDO) Centers. This proposal will require detailed and coordinated feasibility and planning efforts. Savings of better than \$9 million and 15 positions are possible.

STAT Colocation of the proposed 4-C computer center with either the Ruffing or Special Center. A savings of [] positions are possible.

Reduce the volume of paper reports produced by ODP. The potential savings have not yet been quantified but will be on the order of \$10,000 to \$15,000.

Consolidation of copies management activities in the Agency would yield savings not yet quantified. A management intern is presently studying the issue.

Consolidation of multiple office equipment requirements through equipment standardization would result in savings of 10 to 25 percent of what is being spent today (not specified).

In addition, Jim McDonald has initiated two further studies, one aimed at consolidating all Agency graphics design activities and another aimed at establishing a publications review committee to ensure that effective methods and economies are used in the printing of Agency publications. You will be advised of the results of these studies when they are available.

Security

OS presently staffs two guard posts at a cost of some \$110,000 annually, more for convenience than for absolute need. If the Agency is genuinely serious about austerity, coverage of these two posts, at the DCI garage and at the tunnel entrance, could be eliminated.

Training

OTE has started the initial coordination of a plan to substitute civilian guards [REDACTED]

[REDACTED] It would eliminate [REDACTED]

[REDACTED] The cash savings of this action would exceed \$80K per year. Even more important, it would free up [REDACTED]

OTE proposes taking up with the other directorates the closing of the Center for the Study of Intelligence and the transfer of the responsibility for the publication "Studies in Intelligence" to the staff of the Agency Historian. This could result in annual personnel savings of approximately \$185K and seems warranted in light of the limited support being given to the Center and its activities by other Agency components.

OTE believes that substantial savings could be accomplished through a judicious review of external training sponsored by Agency components. The fiscal 1980 costs for such training were in excess of \$1,700,000.

Finance

Collecting Interest on Bank Deposits

We are looking at the whole range of cash management options including use of interest-bearing accounts, overnight and weekend interest earnings, and zero balance transaction accounts. We need to study the cost-benefit implications of service charges and cover documentation for tax purposes

before we can make some decisions to go with these new techniques.

Reductions in Travel Costs through Discounts

The Travel Policy Committee is reviewing a plan to permit employees under official cover to use Government travel requisitions to purchase airline tickets at discounted rates. Overt personnel currently get limited discounts by using GTRs.

Medical Services

None

Information Services

If the Agency can be relieved of its E.O. 12065 responsibility for the systematic declassification review of Agency records, ☐ positions can be saved.

STANT